



INDIANA COMMISSION  
for  
HIGHER EDUCATION

## FOR IMMEDIATE RELEASE

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### Indiana Higher Education Fares Well Compared to Nation, Midwestern Neighbors

According to the annual *Grapevine* study conducted by Illinois State University's Center for the Study of Education Policy, Indiana's operating appropriations for higher education have increased over the past two years while operating appropriations for higher education decreased nationally and in most Midwestern states (includes Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, and Wisconsin).

	<u>2001-02 to 2003-04</u>	<u>1998-99 to 2003-04</u>
Indiana	3.0%	18.5%
Midwest	-4.4%	9.4%
U.S.	-4.0%	14.1%

Source: FY2004 *Grapevine*, Table 4, Illinois State University, Center for the Study of Educational Policy, James C. Palmer, editor.

The trends are evident in statewide total operating appropriations for higher education, in system and institutional operating appropriations, and in student financial aid appropriations.

## Indiana Higher Education Fares Well Compared to Nation, Midwestern Neighbors

Indiana's effort to fund higher education in spite of its current budgetary difficulties has been exceptional, a national study shows. According to the annual *Grapevine* survey conducted by Illinois State University's Center for the Study of Education Policy, increases in state funding for higher education operations in Indiana surpassed the national average and all but one of Indiana's Midwestern neighbors in recent years.

### Two-Year and Five-Year Changes

From 2001-02 to 2003-04, Indiana's higher education operating appropriations increased by 3.0 percent while the Midwestern states' appropriations decreased by 4.4 percent and appropriations nationally declined by 4.0 percent. Nationwide, 30 states reduced their operating appropriations to higher education between 2001-02 and 2003-04, and of the Midwestern states, only Indiana and Kentucky reported increases during that period. From 1998-99 to 2003-04, Indiana's appropriations increased by 18.5 percent. The national increase over the five-year period was 14.1 percent, and the Midwestern increase lagged behind at 9.4 percent. Of Indiana's Midwestern neighbors, only Kentucky has increased higher education appropriations at a brisker pace over the past five years.

### **Appropriations of State Tax Funds for Operating Expenses of Higher Education in Nine Midwestern States and All States for Fiscal Years 1998-99 through 2003-04 (In Thousands of Dollars)**

States	FY99	FY00	FY01	FY02	FY03	FY04	2-yr Change	5-yr Change
Illinois	2,411,068	2,573,964	2,719,734	2,904,184	2,763,756	2,703,279	-6.9%	12.1%
<b>Indiana</b>	<b>1,147,819</b>	<b>1,226,677</b>	<b>1,283,197</b>	<b>1,321,191</b>	<b>1,326,682</b>	<b>1,360,318</b>	<b>3.0%</b>	<b>18.5%</b>
Iowa	784,987	824,062	851,183	786,640	769,854	753,915	-4.2%	-4.0%
Kentucky	888,700	925,506	1,001,625	1,039,117	1,068,484	1,115,174	7.3%	25.5%
Michigan	1,882,500	2,084,779	2,234,157	2,257,732	2,151,247	2,080,228	-7.9%	10.5%
Minnesota	1,239,394	1,286,427	1,349,137	1,379,832	1,323,393	1,286,715	-6.7%	3.8%
Missouri	859,905	910,565	959,402	974,646	875,070	838,597	-14.0%	-2.5%
Ohio	1,934,587	2,062,827	2,181,991	2,084,535	2,063,714	2,080,196	-0.2%	7.5%
Wisconsin	1,040,341	1,074,474	1,170,122	1,194,852	1,211,419	1,117,395	-6.5%	7.4%
<b>Midwest Totals</b>	<b>12,189,301</b>	<b>12,969,281</b>	<b>13,750,548</b>	<b>13,942,729</b>	<b>13,553,619</b>	<b>13,335,817</b>	<b>-4.4%</b>	<b>9.4%</b>
<b>National Totals</b>	<b>52,861,435</b>	<b>56,925,808</b>	<b>60,762,533</b>	<b>62,820,113</b>	<b>61,605,774</b>	<b>60,293,002</b>	<b>-4.0%</b>	<b>14.1%</b>

Source: FY2004 *Grapevine*, Table 4, Illinois State University Center for the Study of Educational Policy

### Dollar Reductions

Perhaps even more striking than the percentage changes are the sheer amounts of state tax dollars many states have removed from higher education operating appropriations since the latest economic downturn began to affect state revenues. Illinois has reduced higher education operating appropriations by over \$200 million dollars since 2001-02, and Iowa has reduced its appropriations by almost \$100 million since peaking in 2000-01. Michigan's appropriations have declined by almost \$180 million since 2001-02, and Missouri reduced its operating appropriations by \$136 million between 2000-01 and 2003-04. While Indiana institutions have experienced substantial cuts in capital project funding and technology appropriations and are subject to an ongoing payment delay program that began in June 2002, higher education operating appropriations have continued to increase, jumping by \$39 million between 2001-02 and 2003-04.

**Appropriations of State Tax Funds for Operating Expenses of Higher Education to  
Multicampus Systems for Fiscal Years 1998-99 through 2003-04  
(In Thousands of Dollars)**

<b>University Systems</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>	<b>2-yr Change</b>	<b>5-yr Change</b>
U of Illinois	775,569	808,214	853,080	907,942	871,828	828,843	-8.7%	6.9%
<b>Indiana U</b>	<b>413,019</b>	<b>432,879</b>	<b>447,733</b>	<b>454,322</b>	<b>455,526</b>	<b>470,105</b>	<b>3.5%</b>	<b>13.8%</b>
<b>Purdue U</b>	<b>285,603</b>	<b>304,345</b>	<b>315,571</b>	<b>320,398</b>	<b>318,838</b>	<b>327,579</b>	<b>2.2%</b>	<b>14.7%</b>
U of Iowa	260,344	273,451	281,344	260,025	254,571	247,078	-5.0%	-5.1%
U of Kentucky	278,005	287,837	298,388	302,358	298,294	302,670	0.1%	8.9%
U of Michigan	367,858	386,814	409,495	415,624	402,652	374,061	-10.0%	1.7%
Michigan State U	343,150	362,416	388,780	394,614	381,699	355,152	-10.0%	3.5%
U of Minnesota	558,781	585,558	607,199	630,657	595,747	549,441	-12.9%	-1.7%
U of Missouri	426,516	450,764	448,395	464,251	417,424	397,320	-14.4%	-6.8%
Ohio State U	386,370	406,510	423,502	402,840	395,448	395,740	-1.8%	2.4%
U of Wisconsin	842,085	872,625	954,584	972,831	989,933	903,519	-7.1%	7.3%
<b>Midwest Totals</b>	<b>4,937,300</b>	<b>5,171,413</b>	<b>5,428,071</b>	<b>5,525,862</b>	<b>5,381,960</b>	<b>5,151,508</b>	<b>-6.8%</b>	<b>4.3%</b>

*Source: Grapevine, Illinois State University Center for the Study of Educational Policy*

### **Institutional Appropriations**

Indiana's strong support for higher education is visible in both institutional operating appropriations and in student aid. Comparing the largest Midwestern university systems, which typically include multiple campuses, medical education, and specialized research and public service funding as well as funding for "flagship campuses," the survey shows that the Indiana University and Purdue University systems are nearly alone in experiencing operating appropriation increases between 2001-02 and 2003-04, and have benefited from the largest percentage increases of any of the comparable systems over the past five years.

Indiana's other institutions--Ball State, Indiana State, the University of Southern Indiana, Vincennes University, and Ivy Tech State College--have also fared well compared to similar institutions in the surrounding states. Whereas the operating appropriations for these institutions have remained relatively constant or even increased slightly, with the exception of Kentucky institutions, which have held steady, all the similar institutions in surrounding states have experienced substantial cuts, most in the same range as the flagship systems in their states.

### **Student Aid**

Indiana's appropriations for grant programs to aid financially needy students, which are administered by the State Student Assistance Commission, have continued to increase rapidly even as similar appropriations in most Midwestern states have remained nearly stagnant. The growth in student aid appropriations has been particularly important in recent years as tuition and fees have increased much faster than most family incomes. Of the surrounding Midwestern states, only Kentucky and Michigan have experienced larger percentage increases in student aid appropriations than Indiana, and Michigan's increase is primarily attributable to the creation of a merit award program funded from the state's tobacco settlement money. In spite of Indiana's commitment to student financial aid, maximum awards for 2003-04 and 2004-05 have been capped at their 2002-03 levels.

**Appropriations of State Tax Funds for State Student Aid Programs in Nine  
Midwestern States for Fiscal Years 1998-99 through 2003-04  
(In Thousands of Dollars)**

<b>States</b>	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>	<b>2-yr Change</b>	<b>5-yr Change</b>
Illinois	356,093	385,564	408,637	423,752	382,782	398,355	-6.0%	11.9%
<b>Indiana</b>	<b>88,842</b>	<b>94,749</b>	<b>108,580</b>	<b>127,509</b>	<b>135,032</b>	<b>149,378</b>	<b>17.2%</b>	<b>68.1%</b>
Iowa	53,218	57,042	58,818	53,810	52,517	52,817	-1.8%	-0.8%
Kentucky	44,603	54,268	69,019	82,254	106,678	128,721	56.5%	188.6%
Michigan	121,487	229,501	260,125	255,111	210,968	267,519	4.9%	120.2%
Minnesota	129,615	134,851	145,311	131,322	142,287	156,619	19.3%	20.8%
Missouri	35,837	41,581	39,756	36,910	32,982	32,893	-10.9%	-8.2%
Ohio	168,058	168,592	184,347	193,192	205,300	209,380	8.4%	24.6%
Wisconsin	59,454	60,600	63,019	65,960	68,525	69,302	5.1%	16.6%
<b>Midwest Totals</b>	<b>1,057,207</b>	<b>1,226,748</b>	<b>1,337,612</b>	<b>1,369,820</b>	<b>1,337,071</b>	<b>1,464,984</b>	<b>6.9%</b>	<b>38.6%</b>

*Source: Grapevine, Illinois State University Center for the Study of Educational Policy*

Note: The State Student Assistance Commission of Indiana took over administration of the Children of Disabled Veterans program in 2001-02. \$9.2 million was transferred from institutions to SSACI at that time.

Totals include need-based, merit-based, work-study, and occupational grants, and some loans. May include grants to students at public, private not-for-profit, and private for-profit institutions.

The *Grapevine* study compares state tax appropriations--that is, authority to spend--for all higher education operating expenses, including college and university operations and financial aid. The study does not report actual expenditures, nor does it report appropriations of non-tax sources such as permanent endowments or lottery earmarks. The study does not collect information on capital or debt service appropriations. States submit data annually, and are requested to revise previously submitted information if mid-year reductions in appropriations are made.